

## Message Text

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21

ACTION EB-07

INFO OCT-01 EUR-12 EA-07 IO-13 ISO-00 SP-02 AID-05 NSC-05

CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00

COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04

SIL-01 DODE-00 PM-04 H-02 L-03 PA-01 PRS-01 NSCE-00

SSO-00 USIE-00 INRE-00 FTC-01 JUSE-00 SEC-01 /107 W

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O R 230654Z JUL 76

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC IMMEDIATE 8588

INFO USMISSION OECD PARIS

USMISSION GENEVA

USMISSION EC BRUSSELS

USMISSION USUN NEW YORK

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EO 11652: NA

TAGS: PGOV, PFOR, UN, ECOSOC

SUBJ: U.S. PROPOSAL ON ILLICIT PAYMENTS

REF: A. STATE 179256 (NOTAL), B. STATE 179170, C. GENEVA 5766,  
D. GENEVA 5759, E. CANBERRA 4083 (NOTAL), F. CANBERRA 3323,  
(NOTAL), G. STATE 104346

1. EMBOFF PRESENTED TALKING POINTS CONTAINED IN REF B TO  
A.G.D. WHITE, DIRECTOR, U.N. ECONOMIC AGENCIES SECTION,  
ECONOMIC ORGANIZATIONS BRANCH, DFA. WHITE SAID THAT GOA  
POSITION WHICH HAD BEEN PRESENTED TO EMBASSY IN WRITING  
(QUOTED IN FULL IN REF E) HAS BEEN WORKED OUT AFTER ACTIVE  
CONSULTATION BETWEEN DFA, TREASURY AND DEPARTMENT OF  
OVERSEAS TRADE (DOT) AND PERIPHERAL CONSULTATIONS WITH THE  
ATTORNEY GENERAL'S DEPARTMENT AND THE DEPARTMENT OF BUSIN-  
ESS AND CONSUMER AFFAIRS.

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2. WITH REFERENCE TO PARA 3 OF REF A, WHITE SAID THAT GOA PREFERENCE THAT TERMS OF REFERENCE OF EXPERT WORKING GROUP NOT BE RESTRICTED TO SIMPLY DRAFTING AN AGREEMENT BUT RATHER MUST INCLUDE A "THOROUGH EXAMINATION OF ISSUES INVOLVED AND MUST TAKE ACCOUNT OF EXTENT TO WHICH PARTICIPATING COUNTRIES ARE PREPARED TO ACT ON THESE ISSUES" (PARA 2, REF E), IS BASED LARGELY ON ITS UNDERSTANDING OF DESIRES OF MANY DELEGATIONS AT LIMA MEETING AS THEY APPEAR IN FORMAL REPORT OF SECOND SESSION OF ECOSOC COMMISSION ON TRANS-NATIONAL CORPORATIONS. EMBOFF POINTED OUT THAT COMMISSION HAD FORWARDED TO ECOSOC RECOMMENDATION THAT SUCH AN AGREEMENT BE INITIATED. ALTHOUGH WHITE ADMITTED THIS, HE POINTED OUT THAT RECOMMENDATION CALLED FOR GROUP TO "STUDY AND PREPARE ... RECOMMENDATION FOR SUCH AN AGREEMENT," AND NOT RPT NOT SPECIFICALLY TO NEGOTIATE AN AGREEMENT. HE ALSO LAID STRESS ON FACT THAT GOA READING OF OFFICIAL REPORT OF LIMA MEETING INDICATED THAT MANY DELEGATIONS, WHILE AGREEING TO FORWARD U.S. PROPOSAL, EXPRESSED DESIRE FOR FURTHER STUDY ON MATTER BEFORE ACTUAL NEGOTIATIONS WERE UNDERTAKEN. NOT HAVING SEEN REPORT IN QUESTION, EMBASSY UNABLE FULLY REBUT THIS ARGUMENT.

3. WITH REGARD TO GOA PREFERENCE FOR "GUIDELINES" RATHER THAN BINDING AGREEMENT (PARA 3, REF E), GOA POSITION IS TACTICAL IN THAT IT AFRAID THAT INSISTENCE ON BINDING AGREEMENT ON ILLICIT PAYMENTS WILL RESULT IN A PRECEDENT WHICH WILL BE USED BY LDC'S TO INSIST ON BINDING AGREEMENT ON GENERAL CODE OF CONDUCT FOR TNC'S, WHEREAS BOTH U.S. AND AUSTRALIA HOLD POSITION THAT CODE OF CONDUCT MUST BE VOLUNTARY.

4. WHITE PROMISED DISCUSS U.S. POSITION AGAIN WITH HIS COLLEAGUES IN TREASURY AND DOT, BUT HE DID NOT OFFER MUCH HOPE FOR APPRECIABLE CHANGE IN GOA POSITION. HE ALSO PROMISED TO CONSIDER EMBOFF'S PLEA THAT IF GOA COULD NOT SUPPORT U.S. PROPOSAL, IT AT LEAST ADOPT NEUTRALITY ON ISSUE.

5. COMMENT: EMBASSY NOT SANGUINE THAT ITS ARGUMENTS WILL HAVE SWAYED WORKING LEVEL OFFICIALS IN DFA AND OTHER DEPARTMENTS. IN VIEW OF FACT THAT PRIME MINISTER AND TWO PRINCIPAL OFFICERS OF DFA CURRENTLY NOT IN CANBERRA, WE DO NOT LIMITED OFFICIAL USE

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BELIEVE FURTHER TALKS HERE WOULD BE PRODUCTIVE. IN VIEW OF INSTRUCTIONS IN PARA ONE, REF B, WE RECOMMEND THAT DEPARTMENT TAKE UP MATTER WITH EITHER PRIME MINISTER FRASER, FOREIGN MINISTER PEACOCK OR SECRETARY RENOUF DURING COURSE OF FORTHCOMING DISCUSSIONS IN WASHINGTON.  
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**Disposition Case Number:** n/a  
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**Disposition Date:** 28 MAY 2004  
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